

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2094 – HB 2277

March 6, 2018

SUMMARY OF ORIGINAL BILL: Authorizes the Financial Literacy Commission (FLC) to establish a program to award grants to individuals and entities to promote financial literacy using funds appropriated for that purpose or under Tenn. Code Ann. § 49-6-1704(c). Outlines the application process and certain eligibility requirements for such awards.

Authorizes the FLC to establish a program to certify teachers in financial literacy and award incentive payments to teachers to promote financial literacy. Requires the FLC to determine the amount of any incentive using funds appropriated for that purpose or raised under Tenn. Code Ann. § 49-6-1704(c). Specifies that incentive payments shall not be considered in determining the teacher's average final compensation for retirement purposes.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Current funding revenue raised by the Financial Literacy Commission (FLC) will be used to cover the possible increased expenditures incurred from expanding the types of organizations which can receive grants from the FLC. The proposed legislation does not change the General Assembly's authority to appropriate funds to the FLC, but any appropriation is assumed to be in later fiscal years and dependent on the level of funding raised by the FLC.

SUMMARY OF AMENDMENT (014300): Deletes and replaces language in the original bill without making any substantive changes to the legislation.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 49-6-1704(c), the FLC may raise funds, including but not limited to private gifts and donations to promote its activities and to support its ongoing programs; provided, that the commission does not have the authority to borrow

money or guarantee any obligation without the express, prior approval of the State Funding Board.

- This legislation authorizes any type of organization to apply for grant awards, including but not limited to state institutions, schools, and local government agencies.
- According to the Department of Treasury, in FY16-17 the FLC raised \$233,171; the balance as of December 31, 2017 was \$284,385.
- Funding currently utilized by the FLC for existing programs or funding held in reserves may shift to the newly established programs.
- Based on information provided by the Department of Treasury, the program can be administered using existing funding and existing resources; however, the size of the program and number of grants and incentives awarded is dependent on additional appropriations and fundraising. If additional funding is made available from state appropriations, there will be a corresponding increase in state expenditures.
- To the extent that funding is available for such programs and grants are awarded to government entities that would not have otherwise received funding, there will be an increase in revenue for the applicable state and/or local government entities. However, such entities would then use such funding for expenditures related to promotion of financial literacy. Any net impact to such administering entities is considered not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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